

Interior Appropriations

The Problem: Twice now the House has voted to set an overall discretionary spending level of \$748 billion for FY 2003. The Senate has yet to pass a budget and President Bush has endorsed the House spending level and indicated in numerous speeches that he will use his veto if necessary to enforce the House discretionary spending level. Because the House spending-limit is nearly identical to President Bush's FY 2003 request, any increase above the request for one bill will need to be offset by a decrease from the request in another bill.

Three of the first four non-defense bills reported by the Appropriations Committee are significantly above the President's request.

- The Interior bill is \$775 million above the request (note this does not include the \$700 million in emergency firefighting money).
- The Treasury / Postal bill is \$538 million above the request.
- The Agriculture bill is \$550 million above the request.
- The fourth bill, Legislative Branch, is at the requested level.

Collectively these bills are \$1.8 billion above the request. In order to pay for the increased spending in these and other bills, the Committee is proposing a \$400+ million reduction from the President's request for the Commerce / Justice / State bill and a \$1.8 billion reduction from the request for the Veterans / HUD / FEMA bill. These bills are currently scheduled to move at the end of the Appropriations process. **If the House passes the first appropriations bills at levels significantly above the request, then we will be forced at the end to either break the budget or pass a Veterans/ HUD / FEMA bill at levels significantly below the request. The House should pass the bills that are below the request before passing any bills above the request so that we ensure that we are able to live within the budget.**

The Wildfire Money: The Interior bill also includes \$700 million in emergency FY 2002 (which ends September 30 of this year) funds for wildfire suppression. The RSC has NOT objected to additional wildfire money, but we have asserted that the money should be included as part of the pending Supplemental at a level acceptable to the White House. In fact, last week the Administration indicated they were willing to include wildfire money in the Supplemental and even to pay for it by reducing their own request for other items. Since many assert that this money is needed right now, then the money should be included in the Supplemental which can be signed into law within the next two weeks. Under the best-case scenario, this Interior bill could not be signed into law until sometime in mid-September. In fact, over the last four years, the earliest the Interior bill has been enacted is October 21 with the latest date falling on November 29. Under the current Interior bill, this wildfire money MUST be spent by December 31 of this year.

Fiscal Facts About the Interior Bill:

<u>Last Year (excluding emergencies)</u>	<u>Bush Request</u>	<u>Committee Bill (excluding emergencies)</u>
\$18,680 million	\$18,939 million	\$19,714 million

The Committee bill is \$1.034 billion above last year or 5.54% -- more than twice the rate of inflation. The Committee bill is \$775 million above the President's request. If the Republican Congress had held the growth in spending in the Interior to the rate of inflation over the past 8 years, the current bill would be \$4 billion below the level proposed by the Committee. The current bill is 30% above the inflation-adjusted spending level.

Facts About the Budget: The Administration has indicated just this week that if we control spending we can return to surplus within two years. Analysis indicates, however, that if we continue to increase spending at 5%+ a year, enact a Prescription Drug Bill and Concurrent Receipt for Veterans (both of which have passed the House) we will be in deficit for 9 out of the next 10 years. We will continue to borrow the entire Social Security surplus for the next decade.

The only way to return to surplus is to control spending. To control spending we must have a plan to pass all 13 Appropriations bills within the Budget.